GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2443
ANSWERED ON:14.12.2015
Tendering Procedure for Procurement
Dhotre Shri Sanjay Shamrao;Mahtab Shri Bhartruhari

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Oil Public Sector undertakings/companies have laid down standard tendering procedure for procurement of equipment etc., and if so, the details thereof;
(b) whether the Public Sector Oil Companies including Oil and Natural Gas Corporation Limited have reportedly deviated from the standard tendering procedure without calling for competitive bids;
(c) if so, the details thereof along with loss, if any, incurred to the exchequer due to the failure in calling for competitive bids;
(d) whether the Government proposes to take action against the erring companies officials responsible for such irregularities and if so, the details thereof and the action taken in this regard; and
(e) the other measures taken by the Government to curb such types of irregularities by oil companies?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a): Oil Public Sector undertakings/companies follow various methods of tendering which include open tender, limited tender and single tender. For tenders costing more than Rs. 5 lakhs, procurement of materials and services is carried out through e-tendering.
(b) & (c): The methods of tendering as prescribed in the Materials Management Manual are followed in the tendering process. The procurements without calling competitive bids is resorted to only in exceptional circumstances and that too with due prior approvals. The reports on cases of such orders are reviewed by Chairman of the Company through Divisional Directors.
(d): When any irregularity is noticed or complaint is received, the same is enquired into and disciplinary action is taken wherever required.
(e): Apart from public Procurement Manuals, there are CVC Guidelines on transparency in tendering mechanism, which are applicable to all organisations. There are Internal Audit and Vigilance Departments which scrutinise selected contracts on a regular basis. Process improvements and corrective measures suggested are implemented.
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